

December 10, 1958

Suggested Revision of Paragraph 9 of OCB Report on Italy

The United States has advised the Italians that we do not intervene in normal commercial operations of private American companies, and has indicated that problems between Mattei and United States companies should be amenable to direct commercial settlement.

However, we must bear in mind that the Italian Government, either through a man such as Mattei or otherwise, will continue to bring pressure and to take steps to acquire some participation in the oil resources of the Mediterranean area and the Middle East, in order to meet its pressing oil requirements which now require it to import and defray in foreign currency, largely dollars or sterling, _____ tons per year at a cost of the equivalent of dollars _____. It will continue to consider that its economic requirements and its position in the Mediterranean justify it in taking such action.

Any action which the United States Government could take to assist it in achieving these objectives would both relieve Italy's foreign exchange position and lessen the pressure for dabbling in the Middle East oil picture in a manner which might detrimentally affect American oil interests in the area through negotiations such as that of Mattei with the Iranian Government and his other efforts to enter into this field.

In the light of Italy's economic situation, the strength of the Communist party in Italy, which uses economic arguments to promote its own ends, any steps to help Italy become at least partly self sufficient as far as oil is concerned would be in our own interests.

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December 11, 1958

Mr. Dulles:

The original and one copy of the
attached was delivered to Mr. Parrott
this morning.

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